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STATE OF MICHIGAN
DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
LANSING

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BILL ANALYSIS

Bill Number: HB 4530

Topic: Delete prevailing wage coverage of urban high school academies

Sponsor: Gosselin

Co-Sponsors:

Committee: Employment Relations, Training and Safety

Date Introduced: March 22, 2005

Date Enrolled:

Date of Analysis: March 31, 2005

Position: Department opposes

Problem/Background: Issue is limiting coverage of Prevailing Wage Act.

Description of Bill: Bill would amend school code to delete the Prevailing Wage Act from laws that a public school academy, urban high school academy and strict discipline academy would have to comply with.

Summary of Arguments

Pro: Allows designated academies to have construction planned and completed without Prevailing Wage Act required wage rates.

Con: Provides special consideration for designated academies and weakens Prevailing Wage Act enforcement. For 40 years, state-funded projects have been covered by the Act and the Department opposes any attempts to limit its historical areas of enforcement. Prevailing wage requirements create a level playing field for contractors who then compete based on high quality, efficiency and productivity, and not based on low wages. Studies have shown that eliminating Prevailing Wage requirements does not reduce overall costs on covered projects but does reduce wages and benefits and employer investment in training and apprenticeships.

Fiscal/Economic Impact : unknown

(a) Department

Budgetary:

Revenue:

Comments:

(b) State

Budgetary:

Revenue:

Comments:

(c) Local Government

Comments:

Other State Departments: unknown

Any Other Pertinent Information:

Administrative Rules Impact: NA